

# SB1621



## 96TH GENERAL ASSEMBLY

### State of Illinois

2009 and 2010

SB1621

Introduced 2/19/2009, by Sen. Terry Link

#### SYNOPSIS AS INTRODUCED:

205 ILCS 625/3  
205 ILCS 625/4

from Ch. 17, par. 2133  
from Ch. 17, par. 2134

Amends the Illinois Trust and Payable on Death Accounts Act. Provides that in order to take under the trust or payable on death account, a beneficiary that is not a natural person must be in lawful existence at the time of the death of the last surviving trustee. Effective immediately.

LRB096 08480 MJR 18600 b

A BILL FOR

1 AN ACT concerning financial regulation.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Illinois Trust and Payable on Death Accounts  
5 Act is amended by changing Sections 3 and 4 as follows:

6 (205 ILCS 625/3) (from Ch. 17, par. 2133)

7 Sec. 3. Trust Account Incidents. If one or more persons  
8 opening or holding an account sign an agreement with the  
9 institution providing that the account shall be held in the  
10 name of a person or persons designated as trustee or trustees  
11 for one or more persons designated as a beneficiary or  
12 beneficiaries, the account and any balance therein which exists  
13 from time to time shall be held as a trust account and unless  
14 otherwise agreed in writing between the person or persons  
15 opening or holding the account and the institution:

16 (a) If two or more persons are designated trustees of the  
17 account, as between them they shall hold the account and all  
18 balances therein which exist from time to time as joint tenants  
19 with right of survivorship and not as tenants in common;

20 (b) Any trustee during his or her lifetime may change any  
21 of the designated beneficiaries without the knowledge or  
22 consent of the other trustees or the beneficiaries by a written  
23 instrument accepted by the institution;

1 (c) Any trustee may make additional deposits to and  
2 withdraw any part or all of the account at any time without the  
3 knowledge or consent of the other trustees or the  
4 beneficiaries, subject to the bylaws and regulations of the  
5 institution, and all withdrawals shall constitute a revocation  
6 of the agreement as to the amount withdrawn; and

7 (d) Upon the death of the last surviving trustee the person  
8 designated as the beneficiary (i) who is then living, if the  
9 beneficiary is a natural person, or (ii) that maintains a  
10 lawful existence under the state or federal authority pursuant  
11 to which it was organized, if the beneficiary is an  
12 organization and not a natural person, shall be the sole holder  
13 of the account, unless more than one beneficiary is named and  
14 is then living or maintains a lawful existence in which case  
15 said beneficiaries shall hold the account in equal shares as  
16 tenants in common. If no beneficiary is then living or  
17 maintains a lawful existence, the proceeds shall vest in the  
18 estate of the last surviving trustee.

19 (Source: P.A. 84-461.)

20 (205 ILCS 625/4) (from Ch. 17, par. 2134)

21 Sec. 4. Payable on Death Account Incidents. If one or more  
22 persons opening or holding an account sign an agreement with  
23 the institution providing that on the death of the last  
24 surviving person designated as holder the account shall be paid  
25 to or held by another person or persons, the account, and any

1 balance therein which exists from time to time, shall be held  
2 as a payment on death account and unless otherwise agreed in  
3 writing between the person or persons opening or holding the  
4 account and the institution:

5 (a) Any holder during his or her lifetime may change any of  
6 the designated persons to own the account at the death of the  
7 last surviving holder without the knowledge or consent of any  
8 other holder or the designated persons by a written instrument  
9 accepted by the institution;

10 (b) Any holder may make additional deposits to and withdraw  
11 any part or all of the account at any time without the  
12 knowledge or consent of any other holder or the designated  
13 person or persons to own the account at the death of the last  
14 surviving holder, subject to the bylaws and regulations of the  
15 institution, and all withdrawals shall constitute a revocation  
16 of the agreement as to the amount withdrawn; and

17 (c) Upon the death of the last surviving holder of the  
18 account (i), the person so designated to be the owner of the  
19 account who is then living, if the beneficiary is a natural  
20 person, or (ii) that maintains a lawful existence under the  
21 state or federal authority pursuant to which it was organized,  
22 if the beneficiary is an organization and not a natural person,  
23 shall be the sole owner of the account, unless more than one  
24 person is so designated and is then living or maintains a  
25 lawful existence in which case those persons shall hold the  
26 account in equal shares as tenants in common with no right of

1 survivorship as between those persons. If no person designated  
2 as the owner of the account on the death of the last surviving  
3 holder is then living or maintains a lawful existence, the  
4 proceeds shall vest in the estate of the last surviving holder  
5 of the account.

6 (Source: P.A. 92-285, eff. 1-1-02.)

7 Section 99. Effective date. This Act takes effect upon  
8 becoming law.